

FLA Audit Profile			September 2007 Company Note: Factory was audited on January 19, 2006 and was given 90 days to correct issues. We finished doing business with this factory in May 2006; however, we wanted to audit again to continue remediation. Factory was audited again on May 9, 2006 and many issues from January audit were still present. The factory had improved in the areas of employees being properly documented, restricted liberties (such as toilet cards), and discrimination. However, health and safety, wages and benefits and working hour issues were still present and factory was not responding to remediation or agreeing to speak with us. After the FLA audit in July, we attempted to contact the factory again to work on remediation, with no response. We attempted to contact another company at this factory to work with them on remediation with no response.										
Country	Vietnam												
Factory name	030084339E												
IEM	Global Standards												
Date(s) in facility	July 12, 2006												
PC(s)	Gear for Sports, Inc.												
Number of workers	390												
Product(s)	Casual wear												
Production processes	Cutting, Sewing, Inspection, Packing												
			IEM Findings						Remediation				[Status]
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation	Notable Features	PC Remediation Plan	Target Completion Date	Company Follow Up (Cite Date of Follow Up)	Documentation	Completed, Pending, Ongoing
1. Code Awareness													
Confidential non-compliance reporting channel		FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing	Company has not put in place a confidential noncompliance reporting channel direct to Gear for Sports.				management interview, visual inspection						
2. Forced Labor													
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise													
3. Child Labor													
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.													
4. Harassment or Abuse													
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.													
Progressive Discipline	Chapter VIII of Labor Code, Decree 41/CP-1995, Decree 33/2003/ND-CP, Circular 19/2003/TT-BLDTBXH	Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	Discipline procedures do not follow local law. Written warnings issued without record of violation or workers' acknowledgement.				record review, management interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices.	Managers and supervisors have not been trained on appropriate disciplinary practices.				record review, management interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
Record Maintenance	Chapter VIII of Labor Code, Decree 41/CP-1995, Decree 33/2003/ND-CP, Circular 19/2003/TT-BLDTBXH	Employers will maintain written records of disciplinary actions taken.	Factory kept no written records of discipline until very recently. Insufficient records available for review.				record review, management interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
5. Nondiscrimination													
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.													
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.	Factory lacks a nondiscrimination policy. Recruitment banner on the factory gate shows gender discrimination: it seeks to recruit men for certain specific jobs and women for other specific jobs.				record review, visual inspection		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				

			IEM Findings						Remediation				[Status]
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation	Notable Features	PC Remediation Plan	Target Completion Date	Company Follow Up (Cite Date of Follow Up)	Documentation	Completed, Pending, Ongoing
6. Health and Safety													
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.													
Evacuation Procedure	Article 102 of Labor Code, Circular No.08/LDTBXH-TT dated 11 Apr 1995 & Circular No.23/LDTBXH-TT dated 19 Sept 1995	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	In cutting and pressing building, 1 out of 4 fire exit doors was locked during working hours.				visual inspection, management interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
Evacuation Procedure	Article 102 of Labor Code, Circular No.08/LDTBXH-TT dated 11 Apr 1995 & Circular No.23/LDTBXH-TT dated 19 Sept 1995	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	A fire evacuation drill has not been conducted since November 2004. Factory management reports holding a drill last month, but has no photos, records or documentation.				record review, management interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
Chemical Management	Decree No. 168/2005/ND-CP dated May 20, 2005	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	Empty 5 liter bottle of Acetone found at spot cleaning station with no label, material safety data sheet (MSDS) or instructions o PPE use. Management and workers in this section reported they only used water and soap for cleaning. They were either not aware of using acetone or deliberately tried to				visual inspection		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	There are 7 sinks for hand washing outside toilets. Of these, 5 either had poor, broken or inadequately maintained pipes, causing water to drain onto workers' feet.				visual inspection		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
Other	Decision No. 3733/2002/QĐ-BYT dated 10 October 2002	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standard will apply.	Internal environment test report in March found that the temperature was 33°C in pressing and cutting sections, which exceeds national standards. Management disputes this finding and has no action plan to correct situation.				record review, management interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
7. Freedom of Association and Collective Bargaining													
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.													
8. Wages and Benefits													
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.													
Wage Benefits Awareness	Article 57 of the Labor Code, Decree 114/2003/ND-CP and Circular No 14/2003/TT-BLĐTBXH: Enterprises shall have to formulate their own wage scales and payrolls, technical criteria and grades of workers, titles and professional qualifications of employees, for use as a basis for signing labor contracts and collective labor agreements, determining the wage funds, paying wages and setting other regimes for laborers.	Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	Salary wage scale has not been submitted for government approval as required by law. Technical allowance is paid to workers at different rates without clear written policy, and is based on subjective judgment of line leader, supervisors and managers.				record review; worker and management interviews		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				

			IEM Findings						Remediation				[Status]
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation	Notable Features	PC Remediation Plan	Target Completion Date	Company Follow Up (Cite Date of Follow Up)	Documentation	Completed, Pending, Ongoing
Time-Recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.	Time recording system is not used consistently and accurately. Discrepancies and inaccuracies exist within hours and payroll. Workers do not punch their own timecards at the end of the day, they are punched for them.				record review; worker and management interviews		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
9. Hours of Work													
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.													
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	No written policy/procedure on voluntary OT. Factory has weekly OT sign up sheet, all workers sign up and work OT every day until 6:30 p.m., 6 days a week on a regular basis. Monitors saw no evidence that workers are able to refuse OT.				Record review, worker interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
10. Overtime Compensation													
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.													
OT Compensation	Art.61 of Labor Code: Overtime work will be paid at least equal to 300%of normal wage on public holiday and rest days, with payment such as annual leave, marriage leave.	Factory shall comply with applicable law for premium rates for overtime compensation.	Factory paid 200% for unused annual leave days, instead of 300% as required by law at the end of 2005. New policy to cancel annual leave that is not used does not comply with local law.				Record review, worker interview		We are no longer doing business with [factory], since May 2006. Many reasons cited in our audits were reasons for leaving as they did not want to comply. Attempted to remediate on several occasions in September 2006 with no response.				
Miscellaneous													